

News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

CALIFORNIA'S "EDUCATION GAP" PUTS STATE IN ECONOMIC JEOPARDY

***State Controller's Study Raises Concern Over Declining Rate of
Enrollment in California Colleges and Universities***

SACRAMENTO, March 26 -- State Controller Kathleen Connell today released a study by her office that she says points to an "education gap" that "raises the very real possibility that our state's education system is not producing enough qualified workers to fill California's workforce needs in the 21st century."

"While the rest of the nation is seeing a rise in the percentage of high schoolers going on to college, the opposite is true in California," Connell said. "Our high school graduates are either choosing to leave the state for their college education, or they're not going to college at all. This raises the critical question of how California can sustain an increasingly knowledge-based economy if the labor pool lacks advanced skills and technical training."

Connell said the finding about California's declining rate of college enrollment was cause for concern on its own. But she added that the problem of cultivating a qualified workforce is compounded by the fact that California has one of the highest high school dropout rates in the nation.

"Much of our state's success in the past was the result of a premiere system of higher education. Twenty years ago, California was a national leader with more than 60% of its high school graduates attending California colleges and universities," said Connell. "We need to get to the bottom of why that percentage has dropped and take steps to close the education gap."

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Connell noted the prospect of an "education gap" was first raised during a meeting of her Council of Economic Advisors, an independent group of leading California economists who provide pro bono counsel to the Controller on a range of issues affecting the state's fiscal health: "Higher education levels support higher income levels, which result in increased revenues for the state. But that is only part of the reason that I am concerned about the education levels of today's young people. Their educational achievements today affect their ability to compete tomorrow for jobs that will enable them to support a family, buy a home, and enjoy economic security."

National statistics indicate that the median income of males ages 25-34 without a high school diploma is about \$14,000 annually. With a college degree, the median income is roughly \$32,000, more than double.

Connell said income appears to be a significant factor accounting at least in part for the Education Gap in California. The nation as a whole has experienced more rapid income growth than California. In 1980, per capita income in California was about 17% higher than in the nation. By 1994, it was only 3% higher. In addition, California's poverty rate has risen more rapidly than the national rate. Connell cited an analysis of U.S. Department of Education surveys which shows that economic factors appear to affect college enrollment rates more than ethnicity. The 1992 survey of high school seniors found a marked difference in the college-going plans of students from low-income families versus high-income families; there was little variation in the responses of students from different ethnic groups.

"Identifying the causes and solutions of the Education Gap is critical to ensuring our future economic prosperity. With all we have invested in our education system, it would be a tragedy if it did not pay off for our students," Connell concluded.

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